



J. J. NEWBERRY CO.

NEW YORK

ANNUAL REPORT

DECEMBER 31, 1934

RECORD OF SALES AND EARNINGS

Year	Number of Stores	Sales	Earnings per Share on Common Stock Outstanding
1912	1	\$32,382.71	N
1913	2	42,183.99	O
1914	3	92,640.38	T
1915	5	116,009.19	I
1916	5	151,464.52	N
1917	6	149,465.64	C
1918	7	276,449.11	O
1919	17	502,445.43	R
1920	17	751,984.16	P
1921	26	1,157,233.90	O
1922	33	1,750,066.32	R
1923	51	3,564,946.51	A
1924	68	5,114,338.79	T
1925	86	6,897,413.59	E
1926	112	9,985,073.71	D
1927	151	15,069,158.69	\$4.68
1928	210	20,609,366.02	6.42
1929	279	27,789,369.40	8.28
1930	335	30,187,391.73	*3.06
1931	379	31,146,802.06	3.65
1932	406	33,121,669.83	4.62
1933	417	35,146,574.03	3.15
1934	431	41,054,217.93	2.22

* 300% Stock Dividend issued September 1st, 1926.

† 50% Stock Dividend and Rights to subscribe to 10% of holdings issued May 1st, 1929.

OFFICERS

C. T. NEWBERRY.....Chairman of the Board
J. J. NEWBERRY.....President
E. A. NEWBERRY.....Vice-Pres. and Treas.
G. A. CRITTENDEN.....Vice-President
J. L. BOUGHNER.....Vice-President
T. H. HOCHSTRASSER.....Vice-President
W. C. SCHULZ.....Secy. and Asst. Treas.
J. H. EWEN.....Asst. Secy. and Asst. Treas.

DIRECTORS

C. T. NEWBERRY.....New York
J. J. NEWBERRY.....New York
E. A. NEWBERRY.....New York
J. L. BOUGHNER.....New York
C. V. PALLISTER.....New York
T. H. HOCHSTRASSER.....New York
W. C. SCHULZ.....New York
WALTER WILLIAMS.....New York
G. A. CRITTENDEN.....Los Angeles, Cal.
F. R. SMITH.....New York

AND SUBSIDIARY COMPANIES

ASSETS

Cash in Banks and on Hand..	\$ 3,693,367.32
Miscellaneous Accounts Receivable (less Reserve \$5,641.20).	32,359.10
Merchandise—based on physical inventories certified by responsible officials of the Companies and price at the lower of cost or market	6,144,247.18
Total Currents Assets	\$ 9,869,973.60
Notes Receivable of Employees—partly secured by capital stock of the company	32,191.09
Investments in and advances to Other Companies—at Cost ...	20,481.85

Land, Buildings and Improvements—at Cost	\$7,430,882.80	
Less Reserve for Depreciation	388,954.62	
	<hr/>	7,041,928.18
Alterations and Improvements to Leased Premises— at or below Cost. \$3,779,594.81		
Less Reserve for Amortization ..	1,111,436.87	
	<hr/>	2,668,157.94
Furniture and Fixtures—at Cost ..	6,779,830.72	
Less Reserve for Depreciation ..	1,919,604.22	
	<hr/>	4,860,226.50
		<hr/>
		14,570,812.62
Prepaid Expenses and Deferred Charges		272,772.68

\$24,765,731.84

In our opinion, based upon such examination, the accompanying Consolidated Balance Sheet and related Consolidated Profit and Loss and Surplus Accounts fairly present, in accordance with accepted principles of accounting consistently maintained by the Companies during the year under review, their consolidated position at December 31, 1934, and the results of their operations for the year.

LIABILITIES

Accounts Payable, Bonuses, Accrued Interest, etc.	\$ 1,224,540.75
Provision for Federal Income and Capital Stock Taxes	418,587.30
Total Current Liabilities ..	1,643,128.05
Mortgages Payable on Real Estate:	
Demand	\$ 441,977.10
Term	1,609,975.00
(\$98,000.00 estimated to be paid on Mortgages in 1935).	2,051,952.10
Ten-Year Convertible 5½% Gold Notes due April 1, 1940	4,000,000.00
Reserve for Self-Insurance (Fire).	75,137.57
Preferred Stock of Subsidiary, J. J. Newberry Realty Co., in hands of public (Dividends paid to November 1, 1934):	
6½% Cumulative Preferred, Series "A" — 10,000 shares of \$100.00 each, less 14 shares in Treasury	998,600.00
6% Cumulative Preferred, Series "B" — 610 shares of \$100.00 each	61,000.00
	1,059,600.00

7% Cumulative Preferred, Par Value \$100.00 per share—Authorized and Issued, 50,000 shares	5,000,000.00
Common, No Par Value: Authorized, 800,000 shares. (Reserved for conversion of Gold Notes—61,539 shares)	
Issued, 395,314 shares	5,208,571.89
Earned Surplus	6,090,049.95
Paid-in and Capital Surplus	82,944.89
	<hr/>
	16,381,566.73
Less Cost of 1,859 shares of Preferred Stock and 14,868 shares Common Stock in Treasury ..	445,652.61
	<hr/>
	15,935,914.12
	<hr/>
	\$24,765,731.84

15,935,914.12

\$24,765,731.84

Sales		\$41,054,217.93
Cost of merchandise sold and operating expenses, including general and administrative expenses, and after deducting income from rentals		37,258,061.38
		<hr/> \$ 3,796,156.55
Deduct:		
Interest on Gold Notes	\$ 249,424.70	
Interest on Mortgages and other Interest	127,848.62	
Provision for Depreciation and Amortization	582,253.09	
	<hr/> 959,526.41	
Less Other Income—Net	8,569.57	
		<hr/> 950,956.84
Provision for Federal Income Tax.		2,845,199.71
		<hr/> 392,526.13
		<hr/> 2,452,673.58
Dividends paid on preferred capital stocks of J. J. Newberry Realty Co. in hands of the public		68,570.85
		<hr/>
Net Income for the Year ended December 31, 1934.		\$ 2,384,102.73

Balance as at December 31, 1933		\$ 4,790,585.67
Add:		
Net Income for the Year ended December 31, 1934	\$2,384,102.73	
Discount on Gold Notes repur- chased and retired—net	60,144.47	
Discount on 14 shares of J. J. Newberry Realty Co. — 6½%		
Preferred Stock reacquired ..	119.00	
Sundry adjustments applicable to prior years (net)	3,729.40	
		<u>2,448,095.60</u>
		7,238,681.27
Deduct Balance of certain store improvements unamortized at December 31, 1934—written off.		<u>386,279.73</u>
		6,852,401.54
Dividends:		
7% Preferred Stock	336,987.00	
Common Stock—90c per share.	342,419.70	
		<u>679,406.70</u>
Balance as at December 31, 1934 (including \$82,944.89 Paid-in and Capital Surplus)		\$ 6,172,994.84

PEAT, MARWICK, MITCHELL & CO.